

# Premium Rates for Retired Members

## 2008 – 2009 Plan Year

The following monthly premiums are effective October 1, 2008 - September 30, 2009. **These premium rates do not include the \$23.00 monthly tobacco surcharge.**

### Retired Members

The premiums listed in the charts below show the retiree's out-of-pocket cost after subtracting the retiree allocation. These rates apply only to members who retired prior to October 1, 2005, or members who retired on or after October 1, 2005, with 25 years of service. All members who retired on or after October 1, 2005, are subject to the Retiree Sliding Scale premium based on years of service. These retirees may experience a rate adjustment effective October 1, 2008. The premium rates can be found on the PEEHIP Web site at [www.rsa-al.gov](http://www.rsa-al.gov), click **PEEHIP**, then go to **Premiums**. Also, **non-Medicare members and dependents may experience a modest increase premium rates effective January 1, 2009.**

Retired Member Rates		
Type of Contract	*Retiree Monthly Out-of-Pocket Premium	Cost to State on Behalf of the Retiree
Individual Coverage/ Non-Medicare Eligible Retired Member	\$ 97.54	\$487.46
Family Coverage/Non-Medicare Eligible Retired Member and Non-Medicare Eligible Dependent(s)	\$284.94	\$813.06
Family Coverage/Non-Medicare Eligible Retired Member and only Dependent Medicare-Eligible	\$188.54	\$698.46
Individual Coverage/ Medicare Eligible Retired Member	\$ 1.14	\$288.86
Family Coverage/Medicare Eligible Retired Member and Non-Medicare Eligible Dependent(s)	\$188.54	\$614.46
Family Coverage/Medicare Eligible Retired Member and only Dependent Medicare-Eligible	\$ 92.14	\$499.86

*\*This rate applies to the PEEHIP Hospital Medical or the VIVA Health Plan HMO and is the monthly amount that will be deducted from a retiree's check. If more than one dependent is Medicare-eligible, you must pay premiums for multiple dependents.*

Retired Members Combining Allocations Rates		
Out-of-Pocket if Retiree and Retired Spouse Combine Allocations	*Retiree Monthly Out-of-Pocket Premium	Cost to State on Behalf of the Retiree
Retiree <65	\$164.94	\$933.06

Retired Members Combining Allocations Rates		
Out-of-Pocket if Retiree and Retired Spouse Combine Allocations	*Retiree Monthly Out-of-Pocket Premium	Cost to State on Behalf of the Retiree
Dependent <65		
Retiree <65 Dependent >65	\$ 68.54	\$818.46
Retiree >65 Dependent <65	\$ 68.54	\$734.46
Retiree >65 Dependent >65	\$ 0.00	\$592.00

*\*This rate applies to the PEEHIP Hospital Medical or the VIVA HMO Plan and is the monthly amount that will be deducted from a retiree's check. The VIVA HMO Plan is not available to retired members who are Medicare eligible or dependents who are Medicare eligible.*

If a husband or wife retired on or after October 1, 2005, and they choose to combine their insurance allocations and carry family coverage, the out-of-pocket costs must be calculated by a PEEHIP or TRS counselor because of the infinite combinations of rates. It is usually more cost effective for a husband and wife who are both PEEHIP eligible to combine their allocations and carry family coverage instead of carrying two individual policies.

The state allocation can be used to purchase the PEEHIP Supplemental Plan or **two** Optional Plans at no cost to the retiree if the retiree is not using the allocation for one of the Hospital Medical Plans or combining allocations. Additional optional plans can be purchased for \$38.00 per month per plan. Full-time active members can use their allocation to purchase the PEEHIP Supplemental Plan or **four** Optional Plans in lieu of the Hospital Medical Plan.

PEEHIP Supplemental Plan Rates	
Single or Family	\$0
COBRA and Leave of Absence Rates for the Supplemental Plan	
Single or Family	\$115

Optional Coverage: Active and Retired Members		
Cancer	\$38/month	Individual or Family Coverage
Indemnity	\$38/month	Individual or Family Coverage
Dental	\$38/month	Individual or Family Coverage
Vision	\$38/month	Individual or Family Coverage

Medicare rules require a Medicare-eligible, active PEEHIP member who is covered on their spouse's PEEHIP **retired** contract to have Medicare as the primary payer on the active PEEHIP member. Therefore, the active, Medicare-eligible member will need Medicare Part A and Part B coverage.

If the active member does not want Medicare as his or her primary payer and does not want to enroll in Medicare Part B until retirement, he or she will have to enroll in a PEEHIP **active** contract and will not be able to combine allocations with the retired PEEHIP-eligible spouse. Most of the time, in this situation, active members must wait and enroll in their own PEEHIP medical policy during the Open Enrollment period or on their spouse's date of retirement. When the active Medicare-eligible member retires, he or she will need to enroll in Medicare Part B. The effective date of Medicare Part B needs to be the date of retirement to avoid a lapse in coverage.

**Note:** If a member or dependent is under age 65 and eligible for Medicare coverage due to a disability, PEEHIP must receive a copy of the Medicare card before the premiums can be reduced. However, PEEHIP will pay secondary to Medicare once our office becomes aware of your Medicare eligibility regardless of whether our office has received your Medicare card. Medicare-eligible members and dependents should have Medicare Part A and Part B to have adequate coverage with PEEHIP.